



PRESS RELEASE

Colorado Department of Law
Attorney General John W. Suthers

FOR IMMEDIATE RELEASE

January 7, 2015

CONTACTS

Carolyn Tyler
Colorado Attorney General's Office
720-508-6553
Carolyn.Tyler@state.co.us

COLORADO ATTORNEY GENERAL'S OFFICE WARNS CONSUMERS TO BEWARE OF FAKE DEBT COLLECTORS

DENVER—The [Colorado Attorney General's Office](#) is warning people to beware of a debt collection scam in which people pose as law enforcement officials or government agencies. Consumer complaints to the Attorney General reveal a sharp increase in Coloradans receiving threatening phone calls and emails from this particular fraudulent debt collector scam. By using personally identifiable information, including Social Security Numbers, the caller attempts to collect on alleged payday loan debt. Complaints about this scam have increased by 1350% between 2013 and 2014.

Fictitious payday lender names being invoked include ACS Inc., ACS Legal Group, Ace Cash Services, Ace Cash Advance, Advance Cash Service and American Cash Advance. The familiarity of these names, along with strong-arm language like “you are in violation of federal banking regulations,” and use of official sounding agencies such as “United States of attorney” and “state investigation department,” are the most common elements found in the complaints.

“These scam artists pretend to be from companies with familiar-sounding names and use high-pressure demands to get people to pay using prepaid money cards,” explained Colorado Attorney General John Suthers. “The caller threatens to report you to the FBI, FTC and even to your employer if you don’t immediately pay up, however, law enforcement and government agencies do not threaten to arrest or prosecute people for their unpaid debt and do not send arrest warrants via email,” warned Colorado Attorney General John Suthers.

The following signs will help consumers spot this debt collection scam:

- Threats of arrest or prosecution
- Claims of being law enforcement or a government agency
- Strong allegation language: “Collateral Check Fraud,” “Theft by Deception”
- Typos and grammatical errors: “Court House,” “law suit,” “United Stetes of America”
- Requests amount owed be paid via prepaid card or money transfer
- Requests for personally identifiable information
- Refusal to provide a mailing address
- Refusal to mail proof of debt, referred to as a “validation notice”

Consumers are encouraged to follow these tips to stay safe:

Ask the collector for his/her name, company, address, and phone number.

(Legitimate debt collectors are required to provide their contact information and the nature of the debt owed.)

Refuse to discuss any debt owed until a written “validation notice” is received.

(Within five days after you are first contacted, a collection agency is required to send you a written notice. A proper “validation notice” will include the amount of debt, the name of the creditor, and information regarding your rights under the Colorado Fair Debt Collection Practices Act (CFDCPA).)

Do not give out any personal information.

(Fake debt collectors can use your sensitive information to commit identity theft.)

Ask for the original creditor information.

(If you believe you may owe a debt, contact your original creditor directly to find out what debt collector, if any, has purchased or may be authorized to collect the debt.)

Keep good records.

(Retain proof of any debt you may have paid off including documents and correspondence between you and any debt collector as well as record dates and times of conversations.)

Do not ignore a court order.

(If you do receive a court order to appear, independently verify that order by contacting the court directly and consider consulting with an attorney.)

Verify that the debt collector is licensed to collect in Colorado by searching the [Licensed Collection Agencies List](#).

Under the CFDCPA, Coloradans have rights that prevent debt collectors from harassing, oppressing or abusing them or any person in connection with the collection of the debt, nor can debt collectors make false or misleading statements.

Visit StopFraudColorado.gov to report fraud, or to learn more about fair debt collection visit www.coloradoattorneygeneral.gov/ca.

#